

Portfolio Loan Agreement

General Terms and Conditions.



Effective: 18 August 2020







Welcome


Thank you for considering a St.George Portfolio Loan. These terms and conditions, together with the Offer you receive, form your Portfolio Loan Agreement ('Agreement') with us. This document doesn't contain all the information we are required to give you, but together with the Offer, it does.


If you have questions or suggestions relating to this Agreement, please contact us.

The St.George Portfolio Loan is an ongoing line of credit. You can access funds up to your available credit limit to make investments for your future, such as to purchase an investment property or share portfolio.












-  This product has risks. They include that:
1. The loan has no set term and is repayable on request. This means we can request you repay all or some of your loan at any time and you will have to repay it when we do. Before entering into this Agreement, you should consider how you will make that repayment if a request was made.
 2. You will not repay your loan over time by paying the minimum monthly payments. The minimum monthly payments you will need to make will typically only cover your interest, certain fees and charges. To repay your loan, you should also make additional payments on a regular basis.

 **Important**
Throughout this booklet we've highlighted some important information in boxes like this.

 **What does that word mean?**
On page 31 you can find a handy explanation of the meaning of words in this document.

 **Finding your way**
Colour coding, section headings and clear page numbers will help guide you through our Terms and Conditions.

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1. Your Portfolio Loan at a glance

Sub-accounts	Interest rates	Fees and charges	Payments	Building sub-account
<p>There can be up to 10 sub-accounts (including your primary sub-account).</p> <p>The borrowers will have to nominate a sub-account to be the primary sub-account.</p> <p>Each sub-account has its own interest rate and sub-account credit limit (which must be at least \$2,000).</p> <p>All borrowers must be on the primary sub-account. Other sub-accounts can be in any combination of the borrowers' names.</p> <p>Sub-account holders are jointly and severally liable for the sub-account total amount owing. Borrowers who are not sub-account holders of a sub-account must give a guarantee and indemnity in relation to that sub-account.</p>	<p>The Portfolio Loan variable rate applies to your primary sub-account.</p> <p>A fixed or variable rate may apply for any other sub-account.</p> <p>If you choose a fixed rate option, break costs may apply if:</p> <ul style="list-style-type: none"> • you prepay above the prepayment threshold; • you prepay the loan in full; • you change to a different interest rate option; or • you are in default, so that the sub-account total amount owing becomes immediately due for payment. <p>Some other restrictions apply during a fixed rate period.</p>	<p>The fees and charges you have to pay are set out in your Offer and this Agreement.</p> <p>Portfolio fees and charges will be debited to your primary sub-account.</p> <p>Other fees and charges will be debited to the sub-account to which they relate.</p>	<p>Your statement will show your minimum monthly payment amount. This payment covers interest, monthly administration fees (if applicable) and government charges incurred during the month.</p> <p>You'll also have to pay any amount over the sub-account credit limit immediately.</p> <p>We may request that you repay a part or whole of the sub-account total amount owing at any time and by the time in our request and if we do, you'll have to pay it as requested – see section 5.</p>	<p>Available for building loans where there is a contract builder (but not an owner builder).</p> <p>You can't redistribute the sub-account credit limit on your sub-account until construction is complete.</p> <p>Building works have to be completed and the final progress payment made within 24 months of the <i>Offer disclosure date</i>. If the building works aren't completed in that time, we may not make further credit available under any sub-account.</p>



Be careful:

Interest, fees and charges can be capitalised for a sub-account (other than the primary sub-account) where we have agreed with the borrowers they can do so. However, the borrowers will also need to ensure that the sub-account credit limit is sufficient to allow for the capitalisation.

Investment decisions can involve tax implications. We encourage you to seek independent taxation advice.



2. Before we can fund your Portfolio Loan

Receiving your Offer means you're well on your way to obtaining a Portfolio Loan. However, before we'll make funds available, there are a few things we'll need. They are set out below.

Things we'll need to receive:

1	Satisfactory title search and all searches, certificates, valuations, reports and consents we request for the security property.
2	Satisfactory evidence that all council fees, rates, taxes and charges for the security property are paid and up to date .
3	A copy of the insurance policy or certificate of currency for the security property. This is not required while the security property is under construction.
4	The mortgage or any other security shown in your Offer.
5	A guarantee and indemnity security (as required – see section 3) and, where it is given by someone other than a borrower, a certificate of independent legal advice or a statutory declaration from each guarantor.

Things that you'll also need to complete or arrange:

1	For non-Australian residents , you have met any related Foreign Investment Review Board requirements .
2	Any special conditions set out in your Offer or otherwise specified by us have been met.



If all of these things set out above haven't happened within **3 months** of the disclosure date, we do not have to make funds available to you.

Other important ongoing obligations for security properties

Until your Portfolio Loan ends or the security is discharged by us, you'll also have to maintain insurance over the security property.

If you don't, we may take action to enforce our mortgage or other security.

What you need to show in your insurance policy or certificate of currency for the security property

It will need to show:

- our interest as mortgagee; and
- the security property is insured for at least the amount of cover in the Offer and on a replacement and reinstatement basis.

3. Sub-accounts

What is a sub-account?

Sub-accounts allow you to divide your Portfolio credit limit into individual accounts, enabling you to keep your investment finances separate.

Your Offer sets out your Portfolio credit limit. This is the maximum amount you can borrow under this loan facility unless you have agreed with us to vary this amount or we tell you otherwise in accordance with this Agreement.

Requirements for all sub-accounts

The borrowers can elect to have up to 10 sub-accounts (including the primary sub-account) provided the conditions in this section have been satisfied. The borrowers will also have to nominate a sub-account to be the primary sub-account. A separate account is opened for each sub-account.

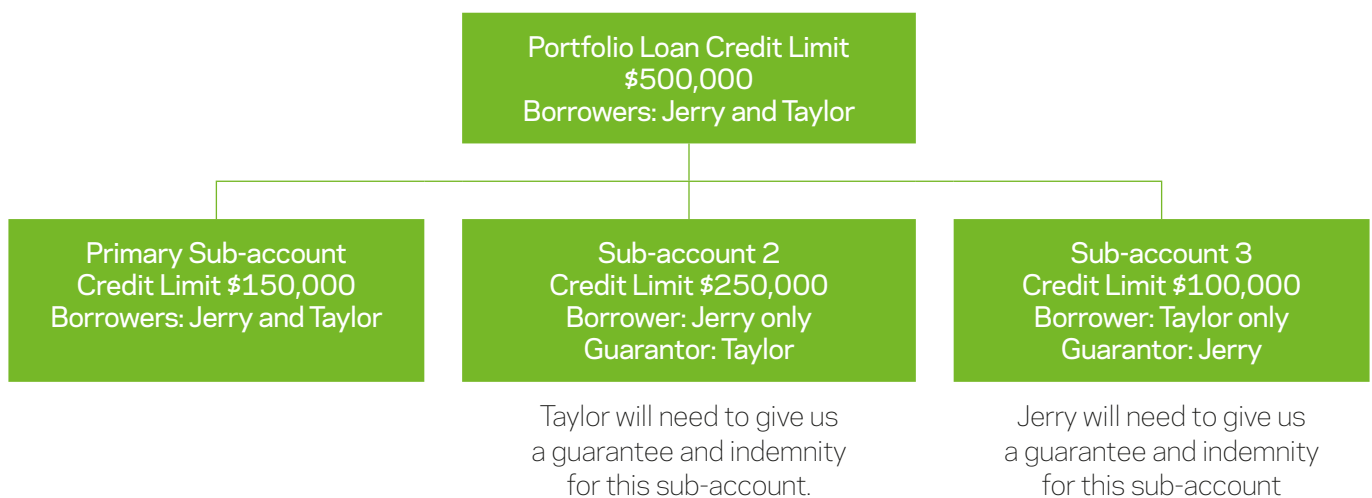
Also:

- the borrowers can set any sub-account credit limit for each of the sub-accounts, although each sub-account has to have a sub-account credit limit of at least \$2,000;
- the total of all sub-account credit limits must equal the Portfolio credit limit; and
- the balance owing on the sub-account must not exceed its sub-account credit limit. Subject to other provisions of this Agreement, you can draw on a sub-account up to the sub-account credit limit.

If you have a card connected to a sub-account, you will also have to comply with the conditions that apply to the use of that card.

Example: Portfolio Loan structure

For example, let's say Jerry and Taylor have a Portfolio Loan with a Portfolio credit limit of \$500,000, and open up three sub-accounts each with its own sub-account credit limit (as shown below). The primary sub-account is in both Jerry and Taylor's name. Sub-account 2 is in Jerry's name only and sub-account 3 is in Taylor's name only. The first sub-account is the primary sub-account.



What are the features of each type of sub-account?

Primary sub-account	Other sub-accounts
<ul style="list-style-type: none"> • The primary sub-account has to be held in the name of all borrowers (i.e. Jerry and Taylor). • The Portfolio Loan variable rate will apply to calculate interest. • The primary sub-account will be debited with interest and the Portfolio fees and charges payable each month. 	<ul style="list-style-type: none"> • Sub-accounts (other than the primary sub-account) can be held under the name of one, some or all borrowers – the borrowers will need to nominate the sub-account holders. In the example sub-account 2 is held by Jerry only and sub-account 3 is held by Taylor only. • The borrowers can choose to have a fixed rate period or a variable rate. • Sub-accounts (other than the primary sub-account) will be debited with interest, fees and charges which relate to that sub-account each month.

So can any fixed or variable rate be picked for a sub-account?

The Portfolio Loan variable rate will apply to the primary sub-account and by default to any sub-account that is opened.

However, the borrowers may choose to have a fixed rate applied for a fixed period to any sub-account other than the primary sub-account. The fixed rates and periods that can be chosen will only be those rates and periods that we have determined are eligible for the Portfolio Loan and that particular sub-account.

You can visit our website at stgeorge.com.au or contact us when opening the sub-account to find out the available fixed rates and periods.

Changes to sub-accounts

The borrowers can make changes to the sub-accounts during the life of the Portfolio Loan. To request a change, the borrowers and all guarantors of the Portfolio Loan will first need to contact us and complete our 'Request to Vary' form.

Redistributing the sub-account credit limit

During the life of the Portfolio Loan, the Portfolio credit limit can be redistributed by the borrowers between any of the sub-accounts except if it is a building sub-account.



Be careful – The borrowers can redistribute the credit limit for a sub-account to which a fixed rate applies. However, break costs may apply – see section 6.

After any redistribution of the Portfolio credit limit, the sum of the sub-account credit limits of all sub-accounts must equal the Portfolio credit limit.

When and who will need to give a guarantee and indemnity

Any borrower that is not a sub-account holder under a particular sub-account will need to provide us with a guarantee and indemnity in respect of any sub-account of which they are not a sub-account holder. In our example, Taylor will need to provide us with a guarantee for sub-account 2 and Jerry will need to provide us with a guarantee for sub-account 3.

An owner of a security property who is not a borrower will need to be a guarantor for all the sub-accounts for the Portfolio Loan and will need to give a guarantee and indemnity.

A guarantee and indemnity from each relevant person will have to be given to us before we fund your Portfolio Loan or open or fund a sub-account (as applicable).

Liability for joint accounts

If there is more than one sub-account holder for a particular sub-account (in our example, for the primary sub-account there are two sub-account holders, being Jerry and Taylor):

1. the sub-account holders are jointly and severally bound to comply with this Agreement and jointly and severally liable for all amounts owing to us on that sub-account. Jerry and Taylor will be jointly and severally liable for amounts owing in the primary sub-account;
2. any sub-account holder can operate (including withdraw from) that sub-account unless the sub-account holders have specified otherwise when opening that sub-account. In our example, Jerry and Taylor can each operate the primary sub-account, but only Jerry (and not Taylor) can operate sub-account 2 and only Taylor (and not Jerry) can operate sub-account 3; and
3. the sub-account can operate by having any of you sign, unless you have nominated otherwise. In our example, either Jerry or Taylor can sign to operate the primary sub-account unless they have specified that they must both sign to operate the sub-accounts. If you nominate that two or more account holders have to sign to operate the sub-account, some account features may not be available to you.

Asking us to terminate liability for future advances

A sub-account holder of a particular sub-account can write to us to terminate that sub-account holder's liability for all future advances to that sub-account, except if it is a building sub-account and the final progress payment has not been made. If this occurs:

- we'll cancel all sub-account holders' operations under that sub-account; and
- all sub-account holders will be unable to draw any further funds from that sub-account.



If you terminate your liability in respect of a sub-account, you'll still remain liable for all transactions made or requested before the cancellation date – even if they have not been debited to the sub-account until after the cancellation date.

Reducing your credit limit or stopping further funding

Your Portfolio Loan doesn't have a set term and there is always the possibility that circumstances could change over the life of your Portfolio Loan with us. With this in mind, it's possible that, during the life of the Portfolio Loan, we may come to a decision to reduce the Portfolio credit limit, or a sub-account credit limit, or stop providing



further funds to you. Some (but not all) of the circumstances in which we may decide to do that include:

- in our reasonable opinion, there are adverse changes in economic circumstances or your financial position has materially worsened since you applied for the Portfolio Loan or you gave us incorrect financial information when applying for the loan or subsequently; or
- you are in default; or
- the value of any security property falls below the valuation given to us before we funded your Portfolio Loan; or
- we reasonably suspect unauthorised activity on the sub-account or that the sub-account may have otherwise been compromised; or
- there is a dispute in relation to the sub-account.

We can reduce all or any of the credit limits or stop providing further funds to you under all or any sub-accounts at any time. However, we'll tell the borrowers in writing if we do any of these things.

Reviews

We may also at various times, review your sub-accounts and repayments. If requested, you'll have to tell us if there are any material changes to your circumstances and provide us with further information we request to assist in our review.

As a result of our review, we may, in some circumstances (such as due to a change in economic circumstances), reduce credit limits or stop providing further funds (as described above) or make changes to your Portfolio Loan in accordance with this Agreement. However, we will tell the borrowers in writing of any changes we make.

Statements

We'll send you a statement once a month for each sub-account.

Each statement includes:

- the closing balance;
- the minimum monthly payment and due date (which is the last banking day of the month after the month covered by on the statement);
- any fees and charges;
- the sub-account credit limit;
- any adjustments made to the sub-account credit; and
- details of all transactions on the account.

Your primary sub-account statement will include a summary of all sub-accounts (even those for which you are not a sub-account holder), the interest rates applicable and any adjustments made to sub-account credit limit during the month.

Closing a sub-account

You can close a sub-account at any time provided:

- the sub-account total amount owing is zero and all borrowers agree; and
- if it's the primary sub-account, all borrowers agree and nominate another sub-account to be the new primary sub-account.

4. If you have a building sub-account

A sub-account is a building sub-account if it is for a building loan. If you have a building sub-account, you'll also have to meet the requirements described in this section before we can advance funds under that sub-account. We'll send a letter to you confirming when funds are available and when your builder can commence building work.

A building sub-account is not available for building works by owner builders.

Things we will need to receive:

- 1 **A certificate from the relevant authority confirming your builder's licence** (and if requested, a copy of the builder's licence).
- 2 **Council approved plans and specifications** to our chosen valuer or surveyor.
- 3 **A copy of your signed contract with the builder.**

Things you will need to ensure:

- 1 You have **contributed any money** as agreed to fund **the construction**, and provide satisfactory evidence of this to us if required.
- 2 Your builder has **all risk insurance for the building work** for its full insurable value on a replacement and reinstatement basis (at all times).

Things we may also need from you or your builder:

- 1 Evidence from the relevant authority that a **building guarantee is in force for the building works.**
- 2 A **survey** confirming that the **buildings are sited correctly on the land** and **will conform with local government regulations.**
- 3 A **certificate** from a **licensed pest exterminator** showing the **building site has been treated for pests** (in accordance with the appropriate Australian standard).
- 4 A **copy of the insurance policy** or a **certificate of currency** in respect of the building works once completed.

They all need to be in a form satisfactory to us.

Kit or transportable homes

In addition, if the building sub-account is for a kit or transportable home:

- before we first make the funds available, you will need to take out insurance cover for all risks during the period of manufacture, transportation to site and construction of the kit or home. That insurance must cover the period until practical completion. You'll have to provide us with a copy of this insurance policy or certificate of currency if requested; and
- you must also ensure this insurance is maintained until the Portfolio Loan ends or the security relating to that home is discharged by us.



If all of these things set out above haven't happened within 3 months of the disclosure date or the date we agree with you that you can add a building sub-account, we do not have to make funds available to you.

Credit limits of building sub-accounts

You can't add a building sub-account to your Portfolio Loan without increasing your Portfolio credit limit (which can't be done without our agreement).

Progress payments

Once the matters set out above are satisfied, subject to this section 4, we will advance the funds by progress payments from your building sub-account for building works to your builder.

As a result, the full sub-account credit limit under a building sub-account may not be available to you during the period that the building works are being completed.

Your Offer sets out:

- the number of progress payments;
- the approximate amount; and
- the progress required on the building works before a progress payment is made (unless we have told you in writing this has been varied).

The progress payments are dependent on the sub-account credit limit available in the building sub-account. We will only pay up to your available sub-account credit limit for that sub-account at all times.

We may refuse to make further credit on any sub-account unless both the building works have been completed and the final progress payment is made within 24 months of the *Offer disclosure date*.



You cannot redistribute the credit limit of your building sub-account among any other sub-accounts until after all building works are complete.

Before we make any progress payments

We may:

- require our surveyor or valuer to inspect the site to confirm the building works have been satisfactorily completed to the agreed extent required in the Offer and in accordance with the council approved plans and specifications you have provided to us; and
- need you to provide the surveyor or valuer with additional information, which you will have to provide.

We may not make funds available to you unless the surveyor or valuer gives us confirmation of the above.

Before we make your final progress payment and ongoing insurance obligations

The following additional requirements will also need to be met before the final progress payment is made:

1. you'll need to give us a copy of an insurance policy or certificate of currency for the security property which shows that the building works are insured for at least the amount of cover in the Offer under the section 'Security' and on a replacement and restatement basis and showing our interest as mortgagee. You must also ensure that this insurance is maintained until the Portfolio Loan ends or the security is discharged by us;
2. our valuer or surveyor will need to inspect the site and certify that the building works have been satisfactorily completed in accordance with the council approved plans and specifications provided to us; and
3. If requested by us, you will also need to provide a certificate of compliance or occupancy or a similar certificate in relation to the completed building works.



If you want to change the council approved plans and specifications you have provided to us, you will have to get written approval from us before you make those changes (but we will not unreasonably withhold consent).

5. What you'll need to pay

You'll have to pay us regular payments and all other fees and charges set out in this section. At the disclosure date, the payments, fees and interest charges payable to us are those set out in the Offer and will need to be paid at the times set out in the Offer.

Repayment of the sub-account total amount owing

Under your Portfolio Loan, there is no set term and you do not have to make monthly repayments of principal, although you do need to make the minimum monthly payments below. This means that, unless you make additional payments, you will not be reducing the principal of your Portfolio Loan.

Of course, the whole of your Portfolio Loan needs to be repaid. Under this Agreement, the way that the principal, along with the rest of the sub-account total amount owing, becomes due for payment by you to us is upon request from us to you. If we do request you to pay all or any part of the sub-account total amount owing, you must pay us in full the amount we request and by the time we specify in our request. We can make a request at any time and in respect of all or any sub-accounts. However, we understand making a request could mean that you have to repay a large amount over a short period of time. So where this occurs, we'll be available to discuss options that may be available to you to meet our request.

Minimum monthly payments	Fees and charges and interest	Overdue and excess amounts
<p>Unless we have agreed with the borrowers to capitalise interest and fees and charges payable for a sub-account, your statement will show a minimum monthly payment.</p> <p>The minimum monthly payment for a sub-account is the total of government charges, interest charges and monthly administration fee for the sub-account (if applicable) shown on the monthly statement for the sub-account. You'll have to pay to us that amount each month by the due date shown in that statement (which is the last banking day of the month shown after the month covered by that statement).</p> <p>The minimum monthly payment is never greater than the closing balance on the statement. If the closing balance is nil or there is a credit balance, the minimum monthly payment is nil.</p>	<p>You'll have to pay:</p> <ul style="list-style-type: none"> • all government charges (including withholding tax, if any) and duties relating to receipts and withdrawals under this Agreement (whether or not you are primarily liable for them); • interest charges; • all Portfolio fees and charges; and • other fees and charges payable in connection with this Agreement (as applicable). <p>Unless you've already paid them, we will debit Portfolio fees and charges to the primary sub-account and any other fee or charge to the sub-account to which it relates. We may do so on or after the date they become payable. The fees and charges payable and when they are payable as at the disclosure date are set out in the Offer.</p>	<p>If there is an overdue amount or the balance owing on the sub-account exceeds its sub-account credit limit, you'll have to pay us that overdue amount or amount in excess of the sub-account credit limit immediately. We do not need to ask you for the amounts first.</p> <p>This will be in addition to any minimum monthly payment.</p>

Information on current standard fees and charges is available on request.

Once we debit an amount to your sub-account, you owe us that amount.



WARNING

If we agree to, and you do, capitalise interest and fees and charges payable for a sub-account, your interest charges will be higher as the capitalised interest and fees will form part of the balance owing on the sub-account on which interest is charged.

How to make payments

We don't treat a payment as made until it is credited to the sub-account.

You'll have to pay amounts you owe under this Agreement in full and without deducting amounts you believe we owe you and without counterclaiming from us, unless you have a right of set-off under the National Credit Code.

The minimum monthly payment for a sub-account cannot be paid by drawing a cheque from that sub-account.

A daily deposit limit may apply to the cash that can be deposited at an ATM. Visit stgeorge.com.au and search 'Our ATM' for ATM limits.



If you do not:

- make your minimum monthly payment for a sub-account by the due date; or
 - pay an overdue amount or that part of the balance owing on the sub-account in excess of the sub-account credit limit immediately as required under this Agreement,
- we may stop transactions that draw funds from that sub-account until we receive payment.

Additional information about cheques

Some of this information relates to writing cheques on your account, and only applies where we have agreed that you can do this.

Making cheque payments into your account

When you make a payment into your account by depositing a cheque, you will not normally be able to make drawings against the value of it until the cheque (whether by redraw or by any other ways you are allowed to draw on the account) is cleared, even though your account may be credited with the proceeds of the cheque earlier.

Clearing a cheque normally takes up to three business days, or after five days where the cheque was deposited through Bank@Post. However, this can be extended by up to two business days in uncommon circumstances. A valid cheque can sometimes be cleared on the day it is presented if you are willing to pay for the service, which is called 'Special Answer' or 'Special Clearance'. There are fees for this service (depending upon the option you select).

The cheque will be cleared for you to withdraw the funds once it is paid by the other bank.

Stopping cheques

You may stop a cheque by telling us before the cheque is paid by us.

Dishonour of cheques

A cheque may be dishonoured for a number of reasons, some of which are:

- there are insufficient available
- funds in the account of the drawer (the person who signed the cheque) to cover the amount written on the cheque
- the cheque is post-dated – i.e. presented for payment before the date that is written on it the cheque is not signed, the signature is not valid or more than one signature is required the cheque has been ‘stopped’ by the drawer
- the cheque is stale – presented for payment more than 15 months after the date written on it (although we may still process it)
- the cheque has been materially altered without the alterations being properly signed or initialled.

You are charged a fee for every cheque you issue that is dishonoured (known as an ‘outward dishonour’).

On a personal account if you deposit a cheque from someone else and it is dishonoured (known as an ‘inward dishonour’), you will not be charged a fee. If a cheque has not been cleared, we will notify you as soon as possible.

Tips for cheques and writing cheques

- Always be careful when writing a cheque or accepting one. To minimise the risk of forgery or fraud, take time to make sure that it is accurate, properly crossed (when required) and signed. Do not leave gaps between words and figures – use all the space and add ‘only’ to the amount to be paid where it does not include any cents (for example, fifty dollars only).
- Fill up any empty spaces with a horizontal line.
- Never use a pencil, non-permanent ink pen or a correctable typewriter to write a cheque as it can be easily erased and altered.
- Never sign a cheque before you use it (and never sign a blank cheque).
- When you alter a cheque you have written, you must sign your name or initials next to where you made the alteration.
- Tell us immediately if a cheque, your cheque book or some forms from your cheque book have been lost or stolen. This will enable us to stop unauthorised cheque payments and prevent or minimise resulting losses. You can call us on 13 33 30 or visit a branch.
- Never leave your cheque book where it can be found by someone else.

Open or uncrossed cheque.

- An open cheque is one that is uncrossed, that is, a cheque that does not have two parallel lines across it. It is an instruction to us to pay anyone who presents the cheque (assuming that the cheque is a ‘bearer’ cheque) at our branch where the drawer’s account is held, rather than the cheque being required to be deposited into the account.
- If the cheque was lost and presented for payment by the person who found it, we would not normally be responsible for reimbursing the money to the drawer. You should always make your instructions clear.

Account payee only cheques.

If you write ‘account payee only’ on a crossed cheque, you are instructing us that you wish the cheque to be paid into the account of the person you have named on it.

‘Not negotiable’ cheques.

- A cheque is a negotiable instrument, that is, it can be passed from one person to another.
- A crossed cheque, with or without the words ‘not negotiable’ written between the lines, protects the ‘true owner’ in case it is lost or stolen.

- For example, if someone persuades a tradesperson to accept a stolen 'not negotiable' cheque as payment for a service, the tradesperson would be liable to refund the amount of the cheque to its rightful owner, provided the thief cannot be located or cannot make good the loss.

'Or bearer' cheques

If the words 'or bearer' appear at the end of the line on which you have written the payee's name and you leave the cheque uncrossed and without the words 'not negotiable' on it, we will have to pay the proceeds to anyone who presents the cheque.

If, on an uncrossed cheque, you cross out 'or bearer' or write in 'or order' and the cheque is presented for payment in cash, we have to pay the proceeds only to the person whose name is on the cheque, or as they direct.

For more information on current fees and charges, please visit our website at stgeorge.com.au.

Other amounts you may need to pay

Enforcement expenses may become payable under this Agreement or a security in the event of a breach.

Enforcement Expenses	Lender's Mortgage Insurance
<ul style="list-style-type: none"> • If you are in breach of this Agreement or any security, and if we ask you to, you'll have to pay to us, when we ask, any reasonable expenses we reasonably incur in enforcing this Agreement or a security after you are in breach. • Unless we've agreed otherwise, we'll debit these expenses to the primary sub-account. 	<ul style="list-style-type: none"> • If you're in default and we need to sell the security property, we may incur a loss if the sale proceeds are insufficient to fully repay the sub-account total amount owing for all sub-accounts. • We may recover this loss under a lender's mortgage insurance policy. • If there is a lender's mortgage insurance policy, you become legally responsible for paying the insurer any outstanding amount under this Agreement or any mortgage security.



WARNING

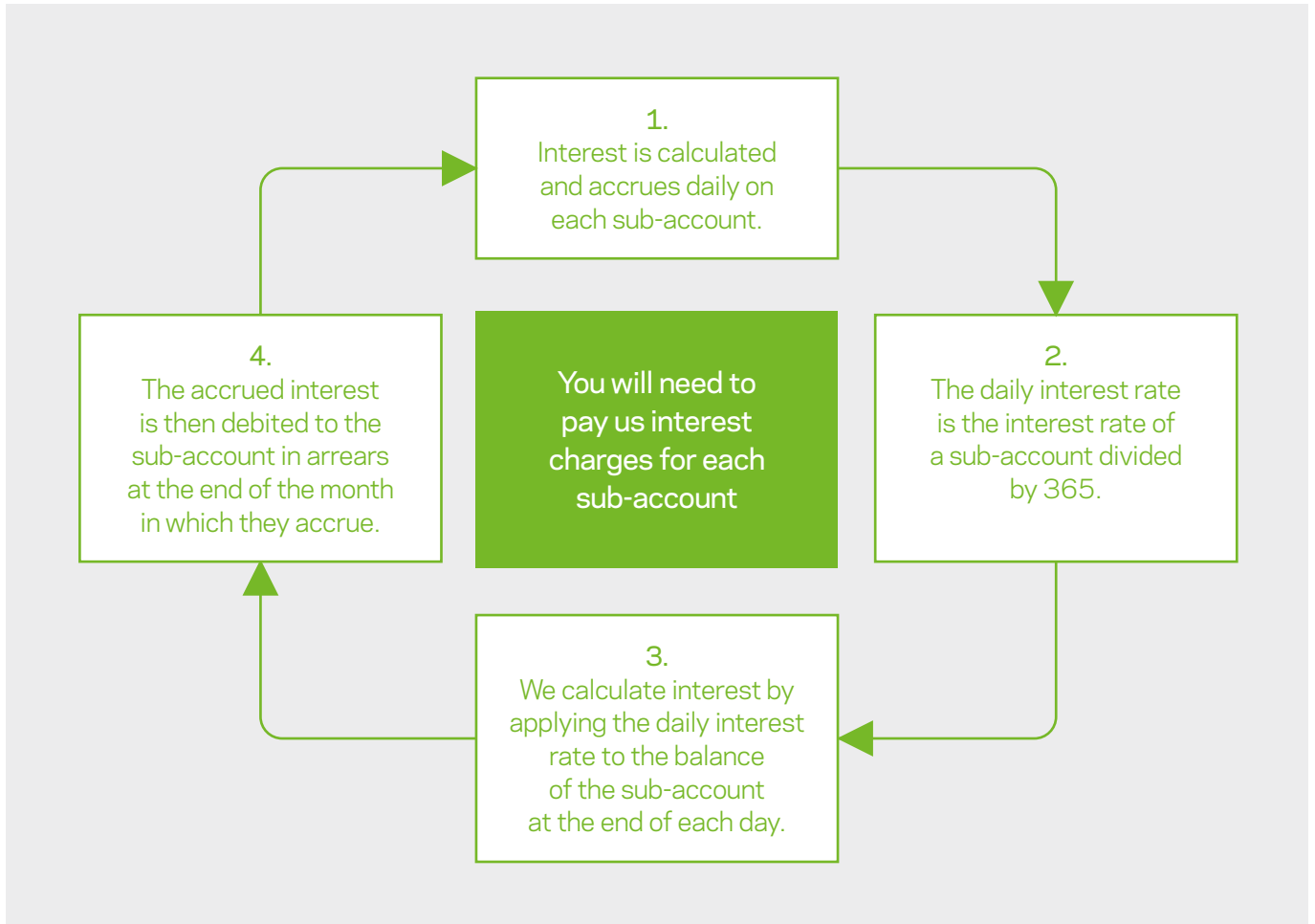
Lender's mortgage insurance is to protect us as the lender and not you as the borrower.

Combination of Accounts

Unless an amount is genuinely in dispute, if we have requested repayment of the whole or part of the sub-account total amount owing or it is otherwise due and payable, we may use any money you have in another account with us towards repaying the sub-account total amount owing (this is known as 'combining accounts'). We may do so without giving you prior notice but will provide you notice afterwards.

6. Understanding Interest and Interest Rates

How we calculate interest





DEFAULT INTEREST CHARGES

Be careful of default rates - we may also charge you a higher interest rate (described in your Offer as the default rate) when amounts are overdue and unpaid under this Agreement. In this case, the daily default rate (being the default rate divided by 365) will apply instead of the daily interest rate to overdue and unpaid amounts. Interest on any overdue and unpaid amount is calculated and accrues daily, using that daily default rate, for the period that the amount is overdue and unpaid. It is debited to the relevant sub-account in arrears at the end of the month in which they accrue.

Choosing a fixed or variable rate for your sub-accounts

The borrowers can choose the type of interest rate for a sub-account (other than the primary sub-account). However, before that choice is made, take note of the different conditions that apply.

Variable Rates	Fixed Rates
<p>If the variable rate option applies to a sub-account:</p> <ul style="list-style-type: none"> • your interest rate is variable; • we can change the interest rate at any time (meaning your interest charges can also change at any time); and • when the interest rate changes, we will let you know in writing or by a press advertisement no later than the day of the change. 	<p>If a fixed rate option applies to a sub-account:</p> <ul style="list-style-type: none"> • the same interest rate will apply for the fixed rate period (this is a fixed rate), and after that the Portfolio Loan variable rate will apply (unless we agree or your Offer indicates otherwise); • any amount you have not drawn down under a fixed rate sub-account within 30 days from the settlement date will not be available to you for the remaining fixed rate period (unless we agree the amount may remain undrawn initially and be used for capitalisation purposes); • if, after that 30-day period and before the end of the fixed rate period, you require access to any unused sub-account credit limit of a fixed rate sub-account, you will need to close that sub-account in accordance with this Agreement and the borrowers either: <ul style="list-style-type: none"> – open a new sub-account; or – redistribute the sub-account credit limit of that closed sub-account to another sub-account; and <p> Break costs may apply - see page 21.</p> <p> Be careful! If you want to repay or prepay the account balance or switch to a different interest rate option during the fixed rate period, you may need to pay break costs. They can be significant - see page 21.</p> <ul style="list-style-type: none"> • you can't draw any amount you repay during the fixed rate period on the sub-account.

Information on current interest rates is available on request. You can also visit our website at stgeorge.com.au

If a fixed rate is chosen, there are some more choices that can be made and things you need to know

If, when you apply for your Portfolio Loan, you apply for a fixed rate to apply to a sub-account, you may choose to hold or 'lock in' the fixed rate applicable at the time of application. This fixed rate is known as a 'locked rate' and it will be held for a period of up to 90 days from the date of your request and will be shown in your Offer together with the number of days before it expires (the locked rate expiry date).

If you have chosen a locked rate	If you don't choose a locked rate
<p>If the settlement date occurs before or on the locked rate expiry date, the interest rate for the fixed rate period will be the lesser of:</p> <ul style="list-style-type: none"> a) the locked rate; or b) our advertised fixed rate for that period and the same type of loan as specified in your Offer last published by us on or before the settlement date (modified by any margin that we notify to you applying during the fixed rate period). <p>If you have a locked rate but the settlement date occurs after the locked rate expiry date, the interest rate for the fixed rate period will be the fixed rate last published by us on or before the settlement date for that period and the same type of loan as specified in your Offer. It may be different to the rate shown in the Offer.</p>	<p>If there is no locked rate, the interest rate for the fixed rate period will be the fixed rate last published by us on or before the settlement date for that period and the same type of loan as specified in your Offer.</p> <p>It may be different to the rate shown in the Offer.</p>

When a fixed rate sub-account is opened, your fixed rate period begins on the settlement date.

What happens at the end of the fixed rate period?

Unless your Offer specifies or we agree otherwise, at the end of the fixed rate period, your sub-account will automatically revert to the Portfolio Loan variable rate.

Before your fixed rate period expires, we will confirm to you in writing:

- the date of change; and
- the current variable interest rate applicable to the sub-account.

What is a Break cost?

A break cost is a fee that represents our loss if you repay your loan early or switch your product, interest rate or payment type during a fixed rate period.



WHY DO WE CHARGE BREAK COSTS?

When we agree to lend you money at a fixed interest rate, we obtain money from the money market at wholesale interest rates based on you making your payments as agreed until the end of the fixed rate period. If you don't, and wholesale interest rates change, we can make a loss.

When a break cost applies

If a fixed rate applies to a sub-account and you prepay part of or your entire sub-account before the end of your fixed rate period, you must pay us the prepayment break cost we calculate and an administration fee, unless the amount you prepay doesn't exceed the prepayment threshold.

If a fixed rate applies to a sub-account and you switch to another product, interest rate or payment type before the end of your fixed rate period, you must pay us the switching break cost we calculate and an administration fee.

When you will incur prepayment break costs

If a fixed rate applies to a sub-account, you may have to pay prepayment break costs, if before the fixed rate period expires:

1. you repay the total amount owing under the sub-account; or
2. you make one or more prepayments on that sub-account in excess of the prepayment threshold. The prepayment threshold is \$30,000 for the fixed rate period. A break cost may apply to any amount prepaid above that \$30,000 prepayment threshold in that period. For example, if your sub-account has a 2-year fixed rate period and you:
 - prepaid \$9,000 in month 3 of year 1; and
 - prepaid \$25,000 in month 8 of year 2,you would exceed the prepayment threshold by \$4,000 with the second prepayment and prepayment break costs could apply on the \$4,000.

We do not treat payments of overdue amounts as prepayments. For example, if the overdue amount of a fixed rate sub-account is \$2,000 and you pay \$7,000, only \$5,000 is counted towards the prepayment threshold.

A prepayment is an amount paid before it is due and payable under this Agreement; or

3. you are in default so that the total amount owing under that sub-account becomes immediately due for payment.

When you will incur switch break costs

If a fixed rate applies to a sub account, you may have to pay switch break costs, if before the fixed rate period expires, you switch to a different interest rate option for that sub-account (i.e. to another fixed rate option or a variable rate).

How break costs are calculated

Our break costs formula is complex. This is a simplified description.

We will incur a loss and you will have to pay break costs if, on the day a prepayment or switch is made, the wholesale interest rate applicable for your remaining fixed rate term is less than the wholesale interest rate applicable when you began your fixed rate period. We refer to this as the 'difference in wholesale interest rates.'

To calculate the amount of the break costs, we multiply the difference in wholesale interest rates with the remaining term in your fixed rate period and the average loan account balance that would have applied during that time if you had not made any prepayments. The amount is then converted to its value in today's dollars. Please contact us if you would like to see the formula used to work out the break costs.



BE CAREFUL WITH BREAK COSTS

Break costs may be high – sometimes tens of thousands of dollars. Ask us for an estimate of the break costs and seek independent financial advice before you repay early or change your loan.

7. Changes to your contract

We may change your Loan Contract as set out in this clause. It is important that the contact details you have given us are up to date. If they are not, we may not be able to notify you of changes (although we will take reasonable steps to find you).

Changes we can make on a general basis

We can make the following changes if we apply them to a class of customers or to a product type or feature:

- changes to an interest rate or default or overdue rate (including changing, substituting or adding any base rate, reference rate or margin). However, we will not change the fixed rate or change the method of calculating a break cost so as to increase it during a fixed rate period;
- changes to how we calculate interest and how often we debit interest (including any interest free period);
- changes to your repayments (including changes to the amount, frequency or number of repayments, the time of repayments or how we calculate repayments), however, the amount of a repayment may be individual to you;
- changes to fees and charges (including introducing new fees and charges, changing the amount of them or the time of repayments);
- other changes which:
 - reflect changes in law, an official directive, or the guidelines or requirements of a regulator;
 - impose, remove or adjust transaction limits;
 - reflect changes to our pricing;
 - reflect changes to our business or technological systems;
 - reflect current industry or market practice or condition;
 - are administrative or correct a mistake or omission;
 - we reasonably think you would benefit from;
 - are reasonably necessary to protect our legitimate business interests;
 - are reasonably necessary on the basis that it is impractical for us to confirm.

Changes we can make that will only apply to you

We can make some changes that will only apply to you. These include:

- reducing the Portfolio credit limit or sub-account credit limit;
- other changes which:
 - reflect our risk associated with you, your loan and any security;
 - are administrative or correct a mistake or omission; or
 - reflect changes to our business or technological systems;
- any other change which reduces your obligations or gives you more time to pay us.



How we will tell you about these changes

Change	Minimum notice period	Notice method
Interest		
Changes to interest rates.	Same day notice (or before the day the change occurs).	Written notice or by advertisement.
Changes to the way interest is calculated or the frequency of debiting.	30 days.	Written notice.
Fees and charges		
Introduce new fees and charges (other than a government charge).	30 days.	Written notice (except if your loan is regulated by the National Credit Code, we may advertise the change instead).
Other changes to fees and charges (other than a government charge).	30 days.	Written notice or by advertisement.
Changes to government charges (except where we detail a government charge as an indicative amount, and you have agreed to pay the actual amount at the time the fee is due to be paid).	Reasonably promptly after the government notifies us (unless the government publicises the change).	Written notice or by advertisement (except if your loan is not regulated by the National Credit Code, in which case, it may alternatively be by advertisement unless it is published by the government or a government agency or body, in which case, we need not give notice).
Any other changes to this Agreement		
Any other changes made by us.	As soon as reasonably possible (which may be before or after the change is made) or, if we believe the change is unfavourable to you, at least 30 days before the change takes effect.	Written notice.

However, where we reduce your obligations (except where there is a change to the way interest is calculated or debited), we will give you notice as soon as reasonably possible (this may be before or when we send you the next statement of account after the change takes effect).

We can also give you a shorter notice period (or no notice) if we believe that it is necessary to avoid, or to reduce, a material increase in our credit risk or our loss. If we notify you by advertising a change to a fee and charge, we will also confirm the change in your next statement of account.

Unless the Offer says otherwise, any advertised changes will appear in *The Australian*. Written notice includes electronic notices where you agree to receiving notices in this way.

8. Default on fixed rate sub-accounts

This section explains what default means and what happens when you are in default under a sub-account to which a fixed rate applies during a fixed rate period.

You're in default in connection with a sub-account to which a fixed rate applies if during a fixed rate period:

- a) you fail to pay us an amount due under this Agreement; or
- b) you do not comply with the law and in our reasonable opinion this has a material impact on your obligations under this Agreement; or
- c) you or another person who provides security engage in conduct that is misleading in an important way in relation to this Agreement or a security; or
- d) you or a guarantor do not maintain the insurance we require and in our reasonable opinion this has a material impact on your obligations under this Agreement or a security; or
- e) you or another person who provides security deal with, or attempt to deal with, any security property in breach of this Agreement or a security (without our consent) and in our reasonable opinion this has a material impact on your obligations under this Agreement or a security; or
- f) you or another person who provides security becomes bankrupt or insolvent or enter into any arrangement with any creditors.

A reference to 'you' in any of the paragraphs (a)-(f) is a reference to any of you whether or not you are a sub-account holder of a sub-account that has a fixed rate.

What happens if you are in default

When you are in default, we may send you a default notice. However, you may not get a notice if:

- we believe on reasonable grounds that we were induced to enter into this Agreement or a security by fraud on the part of any borrower or a person who provides security; or
- we have made reasonable attempts to locate you without success; or
- a court authorises us to begin enforcement proceedings; or
- we believe on reasonable grounds that a borrower or a person who provides a security has removed or disposed of the security property or intends to do so, without our permission or that urgent action is necessary to protect the security property.



If you:

- do not comply with the default notice; or
- if we are not required to give you a default notice by law; or
- the default notice does not require the default to be remedied,

you will become immediately liable to pay us the sub-account total amount owing (unless it is already due and payable). We may take action to recover that amount or enforce any security or both.

Repayments on demand

This section 8 does not change that we can request that you repay (and if we do, you will have to repay) the whole or part of the sub-account total amount owing. See section 5 for more information on the request. We can make that request even if you are not in default.

9. Other important matters about your Portfolio Loan

What you need to know	
For trustees only	<ul style="list-style-type: none"> • If you enter into this Agreement as a trustee of a trust, you'll have to let us know before we can fund your Portfolio Loan. • If you are a trustee, you warrant that: <ol style="list-style-type: none"> a) entry into this Agreement is for the benefit of the trust; b) you have the authority to enter into this Agreement; and c) you have the right to be fully indemnified out of the trust assets for obligations incurred under this Agreement. • You'll also need to get our consent before you change the trustee, terminate the trust or change the terms of the trust.
Transactions	<ul style="list-style-type: none"> • We will credit payments to a sub-account as soon as practicable after we receive them, which in some cases may not be the same day you pay. • We can assign a date for a debit or credit to any sub-account. However it will not be a date earlier than when the transaction occurred. Any date we assign will be a date that we reasonably think is appropriate. We may also subsequently adjust any debit or credit to a sub-account (and make consequential changes) to accurately reflect both your and our own legal obligations under this Agreement. • We may use any payments we receive from you in any order we choose. • The balance at the end of a day includes all debits and credit assigned to that date.
Verbal agreements	<ul style="list-style-type: none"> • We may accept a verbal agreement or confirmation from any of you relating to this Agreement that is binding on you (even if we have not confirmed with you in writing afterwards). This includes a verbal agreement or confirmation that is made over the phone.
Supporting Evidence	<ul style="list-style-type: none"> • Where there is a requirement in this Agreement: <ol style="list-style-type: none"> a) that you need to meet before we'll do something, if we request, you will need to provide us with evidence that you have met the requirement; or b) to provide us with or give us a document, you will need to provide that document, promptly and in a form satisfactory to us. • We may decide to not take all or any action under this Agreement until you have done so.
General Information	<ul style="list-style-type: none"> • Information on current interest rates and standard fees and charges is also available at stgeorge.com.au or on request • If you are experiencing financial difficulty please contact us and we may be able assist you through our financial hardship arrangements.

Balance enquiries on a non-banking day	<ul style="list-style-type: none"> • If your interest charges are due to be debited on a non-banking day and you make an automated balance enquiry (for example, by Phone Banking or at an ATM) on the interest debit day itself (or any immediately preceding non-banking day(s)), the balance quoted will not be the balance on the actual enquiry date. • Instead, it will be the opening balance for the day after the interest charges are debited (that is, it will take into account the amount of the interest charges).
Applicable Law	<ul style="list-style-type: none"> • This Agreement is governed by the law in force in the State or Territory of our address in your Offer. You and we submit to the non-exclusive jurisdiction of the courts of that place.
Banking Code of Practice	<ul style="list-style-type: none"> • The Australian Banking Association's banking code of practice as updated, and adopted by us, from time to time (Banking Code) sets out the standards of practice and service in the Australian banking industry for individuals and small business customers, and their guarantors who are individuals. • The relevant provisions of the Banking Code apply to the banking services referred to in this Agreement if you're a small business (as defined in the Banking Code) or an individual who isn't treated as a business under the Banking Code. • You can view a copy of the Banking Code on our website or ask us for a hard copy in branch or over the phone.
Credit Balances in your sub-account	<ul style="list-style-type: none"> • If a sub-account has been inactive for 7 years, we are required by law to pay any credit amounts to the Commonwealth Government unclaimed money fund and close the sub-account. • We will usually notify you before we close your account, although you may not always receive a notice if we have made reasonable attempts to locate you without success. • You can visit our website at stgeorge.com.au for information on how we can assist you to recover any money transferred to the Commonwealth Government.
How we may exercise our rights	<ul style="list-style-type: none"> • We may exercise our rights or remedy (including those given to us by law) or give or refuse to give consent in any way we reasonably consider to be appropriate. We may also impose conditions on you when we do so. • If we do not exercise a right or remedy fully, we can still exercise it later. Our rights and remedies under this Agreement are in addition to those provided by law.
Assignment	<ul style="list-style-type: none"> • We may assign or otherwise deal with our rights under this Agreement in any way we consider appropriate. • You agree that we may disclose any information or documents we consider desirable to help us exercise this right, including to a person to whom we assign our rights under this Agreement.
Severability	<ul style="list-style-type: none"> • If the National Credit Code or any other law would otherwise make a provision of this Agreement illegal, void or unenforceable or a provision of this Agreement would otherwise contravene a requirement of that Code or any other law or impose an obligation or liability which is prohibited by that Code or any other law, this Agreement is to be read as if that provision were varied to the extent necessary to comply with that Code or any other law, or if necessary, omitted.

<p>Appropriate use of our services</p>	<ul style="list-style-type: none"> • You must not use the services we provide for any illegal purpose. • Where we consider it necessary for us to meet our regulatory and compliance obligations: <ul style="list-style-type: none"> a) you must provide us with any information we reasonably request; b) we will disclose information we hold to regulatory and law enforcement agencies, other financial institutions, third parties and members of the St.George Group; and c) we may delay, block or refuse to provide any of our services to you.
<p>Notices</p>	<ul style="list-style-type: none"> • A notice or demand under this Agreement will be served on you if it is: <ul style="list-style-type: none"> a) delivered personally; or b) sent by mail to or left at the place where you live (or the place most recently known to the person signing the demand or notice as that place); or c) sent by electronic communication where you nominate an electronic address. • If the notice or demand is sent through the post it will be regarded as having arrived when it would have been delivered in the ordinary course of post, even if it never arrives. We may serve court documents in the same way. • We may serve demands notices, or any other documents under any security in the same way.
<p>GST</p>	<ul style="list-style-type: none"> • You must increase the amount ('original amount') of any payment due by you at any time under this Agreement by an additional amount sufficient to cover any GST payable by us on your payment, if not already included in the calculation of that original amount. • The total amount received by us, after discounting for the amount of any GST payable by us on that total, must equal the original amount. • We will tell you of any additional GST amount, if it has not already been set out in this Agreement. • You must pay, as requested by us, any additional amount necessary to compensate us for any direct or indirect increase resulting from any GST in the cost to us of: <ul style="list-style-type: none"> a) carrying on the business connected with making, funding, maintaining or administering this Agreement; or b) any possession, repair or sale of, or other dealing or action relating to, any property connected with this Agreement or any security. <p>In this clause, GST means any tax imposed on the supply of any goods, services, real or personal property or other things or similar tax.</p>

Our reporting obligations

- We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.
- If you or (where you are an entity) any office bearer of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone 1300 663 738 at the time of accepting this Agreement. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which this Agreement relate.
- Unless you notify us that you and/or any Controlling Person is a US citizen or US tax resident as specified above, accepting this Agreement constitutes certification that you and/or any Controlling Person is not a US citizen or US tax resident.
- If at any time after account opening, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

In this clause, an office bearer means a director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative.

Other

- Our rights and remedies under this Agreement are in addition to other rights and remedies provided by law.
- In this Agreement, a reference to:
 - a) document includes any variation or replacement of it;
 - b) law means common law, principles of equity and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them);
 - c) 'including', 'such as' or 'for example' does not limit the meaning of the words to which it relates; and
 - d) the singular includes the plural and vice versa.



Problems, errors or complaints

If you believe an error has been made, please let us know and we will work with you to correct any error as soon as possible.

Please report any errors, issues or concerns you have to us promptly. To help us resolve them, please have all relevant documents and information readily available.

If you have an issue or concern that is not immediately resolved to your satisfaction, please contact us.

If you are in a branch: You can tell us in person.

If you prefer to raise your complaint over the phone: Please call us from anywhere in Australia 13 33 30.

If you prefer to mail, fax or email your complaint:

Mail: St.George Customer Solutions, Reply Paid 5265, Sydney NSW 2001

Fax: 1300 655 858

E-mail: stgeorgecustomerexperience@stgeorge.com.au

You can also raise your complaint via the internet: Go to stgeorge.com.au, scroll down to 'Contact Us' at the bottom of the page, then click Feedback and complaints.'

External Dispute Resolution

If you are not satisfied with our response or handling of your complaint, you may be able to lodge a complaint with the free, independent external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA). AFCA's details are set out below.

Australian Financial Complaints Authority

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001.

Alternatively, you can seek your own legal advice if you wish to take any matter further.

For further information, you can also contact ASIC, the industry regulator, on 1300 300 630 or through their website www.asic.gov.au.

10. Meaning of words

Term	Meaning
annual percentage rate	The per annum rate of interest applying to the Portfolio Loan. Different interest rates may apply to different sub-accounts. In this document, we call the annual percentage rate, the 'interest rate' .
balance owing on the sub-account	At any time in respect of a sub-account, the difference between all amounts credited and all amounts debited to that sub-account under this Agreement at that time.
banking day	Any day other than a Saturday or Sunday or any day that is not a public, special or bank holiday in the place of our address in the Offer.
borrower	The persons named in your Offer as the borrower.
break costs	Means prepayment break costs or switch break costs.
break costs method	The method of calculating break costs described in the 'Break Costs' section of this Agreement.
building loan	A loan to be used to build, or demolish and rebuild, or renovate your property.
building works	The works to be funded, or partially funded by your building loan.
contract builder	A licensed builder employed by you for the purpose of completing the building works.
disclosure date	The date identified in your Offer as the disclosure date.
fixed rate period	In respect of a sub-account, the fixed rate period means an agreed period during which we will not change the interest rate that applies to that sub-account.
locked rate	Has the meaning set out in section 6 of this Agreement.
Offer	The Portfolio Loan Agreement Offer which is part of this Agreement.
owner builder	An individual authorised under a permit issued by the relevant authority to build their own property or supervise construction of the building works.
Portfolio credit limit	Has the meaning set out in section 3 'Sub-accounts'.
Portfolio fees and charges	Those fees and charges identified in your Offer as portfolio fees and charges.
Portfolio Loan variable rate	This is the variable interest rate that applies to your primary sub-account. As at the disclosure date, it is the variable interest rate set out in the Offer.
prepayment break costs	Has the meaning set out in the 'Break costs' section of this Agreement.
prepayment threshold	Has the meaning set out in the 'Break costs' section of this Agreement.
primary sub-account	Means at the disclosure date, the sub-account nominated in the Offer as sub-account no.1 or at any other time, another sub-account nominated by the borrowers and agreed by us to be the primary sub-account.



Term	Meaning
security	Any mortgage, charge, lien, pledge, trust, power or other rights given or to be given to us or in effect as security for the performance of your obligations in connection with this Agreement. It includes a guarantee or guarantee and indemnity. It also includes each security described in the Offer under 'Security' and any substitute or additional security interest given in connection with this Agreement.
security property	The property which is subject to a security. For properties subject to a mortgage of real property, security property includes all the mortgagor's estate and interest in the property and rights which may arise in connection with it, rights to personal goods left on the property if we take possession and rights to set off any money we owe the mortgagor against the amount secured by the mortgage.
settlement date	The date we first advance all or part of your Portfolio Loan.
sub-account	Means a separate account maintained under the Portfolio Loan.
sub-account credit limit	Means the credit limit which applies to a sub-account.
sub-account holder	In respect of a sub-account, the person or persons nominated by the borrowers to be the borrower or borrowers in respect of that sub-account.
sub-account total amount owing	The balance owing on the sub-account and any amount charged, incurred or payable but not yet debited to that sub-account.
switch break costs	Has the meaning set out in the 'Break costs' section of this Agreement.
we, our and us	St. George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian Credit Licence 233714 and its successors and assigns, the credit provider under this Agreement.
you and your	In respect of the primary sub-account, all borrowers and in respect of all other sub-accounts, the sub-account holders of those sub-accounts. If there is more than one person, you means each of them separately and two or more of them jointly. You includes your successors and assigns.

The following information only applies to you, if you are an individual and, at the time you sign the Offer, you intend to use the credit obtained under this loan agreement or sub-account wholly or predominantly for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes or to refinance credit wholly or predominately for that purpose.

11. Information Statement

Things you should know about your proposed credit contract

This statement tells you about some of the rights and obligations of yourself and us. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

The Contract

1. How can I get details of my proposed credit contract?

We must give you a pre-contractual statement containing certain information about your contract. The pre-contractual statement, and this document, must be given to you before:

- your contract is entered into; or
- you make an offer to enter into the contract, whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to us, you must be given a copy to keep.

Also, we must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply, if we have previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to us and ask for one. We may charge you a fee.

We have to give you a copy:

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to us so long as:

- you have not obtained any credit under the contract; or

- a card or other means of obtaining credit given to you by us has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay us the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the pay out figure?

You can write to us at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up.

We must give you the statement within 7 days after you give your request to us. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits us to charge one) and other fees.

7. Can my contract be changed by us?

Yes, but only if your contract says so.

8. Will I be told in advance if we are going to make a change in the contract?

That depends on the type of change. For example:

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper;
- you get 20 days advance written notice for:
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by us,

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted at:

Australian Financial Complaints Authority

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

Alternatively, you can go to court. You may wish to get legal advice from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at www.asic.gov.au

Insurance

10. Do I have to take out insurance?

We can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, we cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by us. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by us then, within 14 days of that happening, we must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing we must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

We must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give us certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to us.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if we have previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have our, or the court's permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over my property?

See the answers to questions 22 and 23.

Otherwise you may:

- if the mortgaged property is goods – give the property back to us, together with a letter saying you want us to sell the property for you;
- sell the property, but only if we give you permission first; or
- give the property to someone who may then take over the repayments, but only if we give permission first.

If we won't give permission, you can contact the AFCA scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to us even after mortgaged property is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If we write asking you where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving our request to tell us. If you do not have the goods you must give us all the information you have so they can be traced.

21. When can we or our agent come into a residence to take possession of mortgaged goods?

We can only do so if we have the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General

22. What do I do if I cannot make a repayment?

Get in touch with us immediately. Discuss the matter and see if you can come to some arrangement. You can ask us to change your contract in a number of ways:

- to extend the term of the contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

23. What if you and we can't agree on a suitable arrangement?

If we refuse your request to change the repayments, you can ask us to review this decision if you think it is wrong.

If we still refuse your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25.

24. Can we take action against you?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the AFCA scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also **read your contract carefully**.



IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING THE AFCA SCHEME.

IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED AT:

**AUSTRALIAN FINANCIAL
COMPLAINTS AUTHORITY**

ONLINE: WWW.AFCA.ORG.AU

EMAIL: INFO@AFCA.ORG.AU

PHONE: 1800 931 678 (FREE CALL)

MAIL: AUSTRALIAN FINANCIAL
COMPLAINTS AUTHORITY
GPO BOX 3
MELBOURNE VIC 3001

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

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For further information

-  Ask at any branch.
-  Call us on 13 33 30, 8.00am to 8.00pm
Monday to Saturday (Sydney time).
-  Ask your lender or our lender
can also come to you.
-  Visit stgeorge.com.au

